

Remarks by
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Before the

**House Committee on Government Reform
Subcommittee on Criminal Justice, Drug Policy
& Human Resources**

Regarding

**“Threat Convergence Along the Border:
How Does Drug Trafficking
Impact our Borders?”**



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Statement of the
Drug Enforcement Administration
Before the
House Committee on Government Reform
Subcommittee on Criminal Justice
Drug Policy, and Human Resources
**“Threat Convergence Along the Border:
How Does Drug Trafficking Impact Our Borders?”**

Introduction

Chairman Souder, Ranking Member Cummings and Members of the Subcommittee, thank you for the invitation to testify today to discuss the impact of drug trafficking on our borders. My name is Anthony Placido and I am the Acting Assistant Administrator for Intelligence for the Drug Enforcement Administration (DEA). On behalf of DEA Administrator Karen P. Tandy, thank you for your continued support of the men and women of the DEA and our mission.

As the former Regional Director for the DEA’s Mexico-Central America Division and a 25-year veteran of the agency, I am acutely aware of the challenges at our borders. Addressing a threat of the magnitude our Nation faces along our international borders requires an extraordinary level of coordination and cooperation among and between American law enforcement and intelligence organizations and our foreign counterparts. While there has been enormous progress in certain areas, much more needs to be done to secure our borders and protect the Nation from the scourge of transnational crime.

The Scope of Drug Trafficking on the Southwest Border

The Southwest Border (SWB) is the primary arrival zone for the majority of illicit drugs smuggled into the United States as well as the principal area for the subsequent consolidation and distribution of these drugs throughout the United States. According to El Paso Intelligence Center (EPIC) drug seizure data, most of the cocaine and marijuana, as well as much of the heroin and methamphetamine available in the United States is smuggled into the country across the Southwest border (SWB). In fact, 2004 data from EPIC show that the amount of drugs seized at or between land ports of entry (POE) along the SWB is far greater than the amount seized at other U.S. arrival zones, including the Northern Border with Canada.

The border between Mexico and the United States consists of approximately 2,000 miles of mostly open border. The vastness of this region, inhabited by over 50 million residents, and the huge volume of persons and goods that cross the border to facilitate legitimate international commerce, converge to make law enforcement in this region a daunting task. In a post September 11, 2001 world, it is critical that we do not fail in this collective security mission, yet closing our borders is not a viable option. In attempting to strike the proper balance, law enforcement organizations must have better intelligence to inform and drive their efforts, and there must be extensive coordination and cooperation at the inter-agency and international levels.

The SWB is used extensively by Mexico based drug trafficking organizations to smuggle drugs into the United States. Drug trafficking organizations capitalize on geography and the high volume of legitimate cross border traffic between Mexico and the United States to provide cover for their illegal smuggling operations. Millions of private and commercial vehicles as well as pedestrians cross the land POEs between the two countries each day. According to Customs and Border Protection (CPB) statistics, over 48 million pedestrians, 90 million private vehicles, and 4.4 million trucks entered the United States through the 25 land POEs in 2004.

Tunnels are also used by Mexican drug trafficking organizations to smuggle drugs across the SWB. To date, 30 tunnels have been discovered along the SWB: 19 in Arizona (17 in Nogales), and 11 in California. We expect that the SWB will continue to be the main transit route for the major drugs of abuse entering the United States for the foreseeable future.

Cocaine: Mexico continues to be the primary transit route for cocaine destined for the United States. According to the Interagency Assessment of Cocaine Movement (IACM) reporting, the volume of cocaine transiting the Mexico-Central America Corridor to the United States rose to 92 percent during 2004. This is a significant increase from the 77 percent estimated flow of cocaine projected to have moved through this corridor in 2003 and continues to reflect a five year trend of increased cocaine movement through Mexico to the U.S. market. Maritime vessels, primarily go-fast boats and fishing vessels are the primary conveyances used to move cocaine from South America into Mexico. In 2004, the Government of Mexico (GOM) reported seizing 25 metric ton of cocaine which was five metric tons higher than the previous year. An additional 22.4 metric tons of cocaine was seized entering the U.S. SWB in 2004, primarily in South Texas.

Heroin: Despite Mexico's relatively small percentage of global opium production (less than five percent), it is currently the second largest supplier of heroin to the U.S. market. Most of the heroin produced in Mexico is smuggled across the SWB. In 2004, the potential production of pure heroin in Mexico was estimated to be 9 metric tons (approximately 23 metric tons of black tar heroin). Mexican black-tar and brown-powder heroin continues to dominate the market west of the Mississippi River and is increasingly making inroads into the Midwest.

Marijuana: Mexico is also the largest foreign supplier of marijuana available in the United States. In 2004, Mexico had an estimated production capacity of 5,800 hectares of cannabis. This represents a potential of 10,400 metric tons of marijuana for the U.S. and Mexican markets, which is above the average of 8,500 metric tons produced over the previous five years, but below last year's high of 13,500 metric tons. Eradication of cannabis by the GOM continued at robust rates in 2004. The relative low-cost, easy processing, and high profits associated with marijuana ensure its place as a staple source of revenue for Mexican drug trafficking organizations. In 2004, 1,089 metric tons of marijuana was seized along the SWB. Arizona accounted for the majority of seizures at 368.7 metric tons, followed closely by South Texas with 368.6 metric tons.

Methamphetamine: Perhaps the greatest emerging drug threat from Mexico is the production of methamphetamine for sale and use in the United States. Seizures of methamphetamine along the SWB have increased 74 percent since 2001 when 1,172 kilograms of methamphetamine was confiscated. In 2004, a record 1,639 kilograms of methamphetamine was seized along the SWB, including approximately 1,018 kilograms of methamphetamine in Arizona. Of particular concern, Mexican drug trafficking organizations have been establishing methamphetamine laboratories closer to the U.S. border (in conjunction with their traditional manufacturing locations in central Mexico) to better reach markets in the U.S. as well as the growing user population within Mexico.

Drug Trafficking Organizations: The SWB serves as the entry point for a national distribution network for drugs destined for all regions of the country. The cities of Albuquerque, Brownsville, Dallas, El Paso, Houston, Laredo, Los Angeles, McAllen, Oklahoma City, Phoenix, Tulsa, San Antonio, San Diego and Tucson function as primary staging locations used by Mexican drug trafficking organizations. Mexican drug trafficking organizations use familial ties and long standing relationships to maintain control over transportation and distribution groups along the SWB. Mexican drug trafficking organizations are the dominant transporters and distributors of illicit drugs from the SWB. This function has allowed them to become the dominant drug distributors throughout the United States. Mexican drug trafficking organizations have established relationships with a variety of criminal groups including Colombians, Dominicans, Jamaicans, as well as street gangs, prison gangs, and outlaw motorcycle gangs, who conduct most of the retail and street-level distribution throughout the country.

Mexican drug trafficking organizations pose the greatest drug trafficking threat not only along the SWB but also to the entire United States. Fifteen of the 42 organizations on the FY 2005 Consolidated Priority Organization Targets (CPOT) list (35 percent) are based in Mexico and Central America. As of the end of the second quarter of FY 2005, DEA had 372 active Priority Target investigations linked to these 15 CPOTs, of which 20 were foreign Priority Target investigations.

Currently, the most powerful drug trafficking organizations in Mexico are led by Ignacio Coronel-Villarreal, Joaquin Guzman-Loera, Arturo Beltran-Leyva, Juan Jose Esparragosa-Moreno and Ismael Zamada-Garcia. These leaders comprise the "Federation," an organized crime syndicate founded upon long-standing relationships

between Mexico's major drug kingpins. Although the Arellano-Felix organization and the Gulf Cartel have been weakened under the Fox Administration, they continue to control the strategic border states of Baja California Norte and Tamaulipas. Capitalizing on disruptions to the Arellano-Felix and Gulf Cartels, the Federation is conducting a violent campaign of elimination against them to gain control of these important transit corridors.

The Scope of Drug Trafficking on the Northern Border

The border between Canada and the United States comprises almost 4,000 miles (excluding Alaska). Drugs are smuggled across the border by use of All-Terrain Vehicles, tractor trailers, privately-owned vehicles, backpackers, snowmobiles, canoes, and boats.

During my recent assignment as Special Agent in Charge of DEA's New York Field Division, I had the opportunity to tour the northern border and meet with U.S. and Canadian officials regarding transnational drug trafficking and money laundering. The northern border is fraught with its own challenges, including semi-autonomous Indian reservations that straddle the international border and rely largely upon tribal authorities to regulate the international movement of people and goods. Moreover, the substantially larger northern border has fewer law enforcement resources to deal with a growing drug threat.

Marijuana: Although Canada is not a primary marijuana source for the United States, exportation of marijuana to the United States is a flourishing business. In the United States, Canada-produced marijuana represents approximately two (2) percent of all border marijuana seizures. Canadian cultivation estimates range between 800 and 2,000 metric tons, with the majority of the product designated for U.S. markets. In the recent past, cross-border shipments of Canadian marijuana was limited to relatively small amounts ranging from 50 to 200 pounds; however, subsequent to alliances between Canadian groups and Asian Organized Crime, law enforcement has seen a significant increase in the movement of tractor-trailer borne, ton quantity shipments. While the amount of Canadian marijuana available for import into and actually being smuggled into the United States is significantly less than that of Mexican-cultivated marijuana, the THC content of Canadian marijuana can be twice to three times that of its southern competition.

Heroin: Southeast Asian, Southwest Asian, and other Middle Eastern criminal organizations, which maintain connections to heroin source countries, continue to be largely responsible for heroin importation and heroin trafficking activities within Canada. Vancouver, Toronto, and Montreal remain the prominent centers for heroin trafficking and abuse. Analysis indicates that traffickers of Southeast Asian (SEA) heroin have shifted from sending the product directly to New York, the traditional center of SEA trafficking in the country, to also smuggling the heroin into the United States via Canada.

Ecstasy: 3,4-Methylenedioxymethamphetamine (MDMA or Ecstasy) historically arrived in Canada from Europe via courier aboard commercial aircraft. In recent years, however, increasing numbers of clandestine MDMA laboratories have been located in major population areas to include Toronto, Vancouver, and Montreal. Asian groups (ethnic Chinese and Vietnamese) and Outlaw Motorcycle Gangs (OMGs), as well as independent operators, have been associated with this trafficking activity.

Europe-produced MDMA continues to be transported through Canada en route to the United States. Asian, Israeli, and to a lesser extent, Russian criminal groups transport MDMA from Europe to Canada via couriers on commercial flights, although large quantities are commonly transported via air cargo. MDMA is also smuggled across the border by commercial vehicles, mail and courier services, and vessels. The amount of MDMA seized at or transiting Canadian ports of entry increased from 1.8 million tablets in 2002 to over 2.1 million tablets in 2004.

Methamphetamine: New regulations within Canada's Health Act took effect in January 2003, governing the sale of pseudoephedrine and ephedrine for export. These regulations require that companies involved in the sale of precursors to be registered and provide background information on persons responsible for this activity. Subsequent to the implementation of these regulations and the successes of U.S./Canadian law enforcement efforts, U.S. law enforcement authorities have reported a large decrease in Canadian pseudoephedrine seizures and availability. Organized crime groups, however, continue to be involved in diverting chemicals both within Canada and from Canada to the United States.

Mexico - Law Enforcement Cooperation

During the Administration of Mexican President Vicente Fox, DEA and Mexican officials have improved cooperation in law enforcement matters. Anti-corruption initiatives and institutional reforms have increased our ability to share information and conduct joint investigations. Moreover, Mexico has steadily eradicated record amounts of cannabis and opium poppy as well as seized record amounts of drugs. Mexican authorities have acted to varying degrees against all of the major cartels in Mexico. Mexican authorities have arrested some of the largest drug traffickers in the country, including Benjamin Arellano-Felix the leader of the Tijuana Cartel and Osiel Cardenas-Guillen the leader of the Gulf Cartel. Sensitive Investigative Units (SIUs), specialized investigative teams that undergo a full vetted process, continue to serve as effective mechanisms for sharing sensitive intelligence without compromise.

In addition, extraditions from Mexico to the United States increased in 2004, with the GOM extraditing a record 34 fugitives to the United States. Of particular importance to the DEA was the January 29, 2005, GOM extradition of fugitive Agustin Vasquez-Mendoza to the U.S. to stand trial for his role in the 1994 murder of DEA Special Agent Richard Fass. Also, Mexico used its authority to expel or deport 135 fugitives who were in Mexico illegally.

There have been several joint U.S. - Mexico law enforcement operations where the DEA has cooperated with our counterparts within the Mexican Government that I would like to highlight.

Operation United Eagles: In August 2003, DEA, the U.S. Marshal Service, and the GOM initiated Operation United Eagles, a fugitive apprehension effort to apprehend CPOTs operating or living in Mexico. A fugitive apprehension team was created and currently consists of 50 members of the Mexican Federal Investigative Agency (AFI) trained by DEA, US Marshals, and the FBI. Initially, this initiative facilitated the exchange of information and cooperation between law enforcement in Mexico and the U.S. in an effort to identify and apprehending key leaders of the Arellano-Felix Organization. As of December 31, 2004, Operation United Eagles has resulted in the arrest of 19 members of the AFO, including five "Tier I" members: Efran Perez, Jorge Aureliano-Felix, Gilberto Higuera-Guerrero, Giberto Camacho Valle, and Marco Antonio Simental-Garcia.

Operations Cold Remedy and Aztec Flu: Relations between Mexican authorities and DEA are very good in terms of precursor chemical control. To date, under the auspices of Operation Cold Remedy and Aztec Flu, Mexico's Organized Crime Prosecutor's Office, Hong Kong law enforcement authorities, and DEA have seized nine shipments, totaling 67.26 million pseudoephedrine tablets between September 2003 and December 2004. Pseudoephedrine is one of the primary essential chemicals use in the manufacturing of methamphetamine. The last seizures were a shipment of 35 million tablets seized in Los Angeles and a shipment of 400,000 tablets seized in Mexico in November 2004. Seven of these nine shipments were controlled delivery attempts, accounting for 29.86 million tablets, which could have produced over one metric tons of pseudoephedrine (60 percent yield from 60mg tablets).

Operation Money Clip: On October 19, 2004, Operation Money Clip, a year long multi-jurisdictional Organized Crime Drug Enforcement Task Force (OCDETF) investigation coordinated by the DEA Special Operations Division, resulted in the dismantling of a Mexican-based money laundering and poly-drug trafficking organization. As of December 31, 2004, Operation Money Clip has resulted in 90 arrests and seizures of \$5.2 million in U.S. currency, 2.5 metric tons of cocaine, 33 kilograms of crystal methamphetamine, 18.2 metric tons of marijuana, and one kilogram of heroin. Since 2002, the target organization laundered as much as \$200 million in drug proceeds and was responsible for the monthly distribution of the U.S. market of approximately 1,100 pounds of cocaine, 200 pounds of methamphetamine, 44 pounds of heroin, and 10,000 pounds of marijuana per month since 2002.

U.S.-Southwest Border Initiatives: In addition to these completed operations, the DEA, in cooperation with its Southwest Border partners and the Mexican government, has been developing additional initiatives to combat the substantial threat posed by Mexican based poly-drug trafficking organizations as well as their Colombia based associates who use Mexico as a staging area for drugs destined for the United States. These initiatives seek to disrupt and dismantle these organizations through the combining of resources and the

sharing of intelligence from federal, state and local law enforcement agencies, as well as, Mexican law enforcement counterparts via DEA Mexico City Central America offices.

Long term, multi-jurisdictional initiatives are required to truly impact these poly-drug organizations. These initiatives include: the Bulk Currency Initiative, the Trap Vehicle Initiative, the Tunnel Initiative, Marine Task Force Initiative and the Clan Lab Initiative. Developed leads are disseminated throughout the U.S. and Mexico to insure a top to bottom enforcement approach in attacking the command and control centers of major trafficking organizations.

Despite concerted efforts by the GOM to crack down on drug production and trafficking, problems persist. Powerful Mexican drug traffickers continue to operate and Mexico continues to be the primary transit country for cocaine and a major producer of heroin, methamphetamine, and marijuana destined for U.S. markets. Given the magnitude of drug production and flow through Mexico, and the enormous power of the major drug kingpins, significantly more progress is needed to impact the problem. The GOM continues face challenges in making tangible accomplishments against the major drug cartels, stemming the flow of drug through the country, reducing public corruption, ensuring public security, and strengthening the rule of law.

The single largest impediment to seriously impacting the drug trafficking problem in Mexico is corruption. DEA has highly productive, long-standing relationships with a number of key GOM counterparts. The individual courage, personal integrity and dedication of many of these individuals are truly remarkable. Unfortunately, on a national level, officials of this caliber are the exception. They exist in a system that is fraught with organizational inefficiency and corruption. In actuality, law enforcement in Mexico is all too often part of the problem rather than part of the solution. This is particularly true at the municipal and state levels of government. The success of the vetted units in Mexico has been noteworthy but much more needs to be done to address a threat of the magnitude we face in that country. Mexican law enforcement also suffers from poor training, high turn-over, and a lack of resources. These problems and Mexico's unique geographic location virtually assure that the country will continue to be the primary location used to facilitate the flow of drugs destined for the United States.

The GOM has scored a series of blows against the major cartels, especially the Arellano-Felix Organization; however, other drug trafficking organizations, most notably the Federation, continue to operate and some appear to be gaining strength.

Furthermore, actions by the GOM against the Gulf and Tijuana Cartels have ignited turf-wars in nearly every major drug trafficking plaza along the SWB resulting in scores of deaths that the GOM seems incapable or unwilling to subdue. The magnitude of this violence along the SWB is reflected in the U.S. Department of State's two Public Announcements issued this year warning U.S. citizens entering Mexico of continued high levels of violence. The worst violence has been centered in the border city of Nuevo Laredo, Tamaulipas, where more than 30 U.S. citizens and scores of Mexican citizens have been kidnapped or killed over the past eight months.

The Mexican corrections systems faces problems. Mexico has been unable to recapture CPOT Joaquin Guzman-Loera, a major trafficker who escaped from prison in 2001, demonstrates the continuing power of the major drug trafficking organizations and the weakness of the corrections system in Mexico. Another example occurred just a month ago, on May 13, 2005, when another CPOT—Otto Herrera-Garcia—escaped from prison in Mexico. Many of the major traffickers incarcerated in Mexican prisons continue to operate their drug trafficking organizations from prison with the assistance of corrupt officials. Moreover, over the last year, there have been multiple targeted assassinations of rival drug traffickers even in the most secure of Mexican prisons. The Mexican Government has tried to address this problem by sending in the military but this is temporary solution and additional prison capacity and the training of qualified personnel within the Mexican corrections system are sorely needed to incarcerate and secure convicted traffickers.

As mentioned previously, Mexico extradited a record 34 fugitives to the United States in 2004, up from 31 in 2003 and according to the State Department deported or expelled many more to the United States to face trial. Despite this increased number, and substantial cooperation from the Government of Mexico in returning fugitives to the United States, no major drug kingpin of Mexican citizenship has ever been extradited from Mexico to the United States. (Major drug kingpin Juan Garcia-Abrego was extradited to the U.S. in 1995, but he held dual U.S.-Mexican citizenship enabled that unprecedented legal proceeding.) The ability of cartel leaders to avoid or delay extradition protects them from the actions major kingpins fear most: facing justice in U.S. courts of law and serving long sentences in U.S. prisons.

According to the U.S. Department of State, Mexico exercises its discretion under the 1978 U.S. Mexico Extradition Treaty to deny extradition in cases where the death penalty is an applicable punishment unless the United States assures Mexico that the death penalty will not be sought or imposed. Further, Mexico is unable to extradite fugitives that face life imprisonment without the possibility of parole pursuant to a 2001 decision of the Mexican Supreme Court holding that do so would be unconstitutional. The Government of Mexico has worked extensively to limit the negative impact of this and other problematic Mexican judicial decisions. Mexican defense lawyers frequently submit amparos (similar to writs of Habeas Corpus in our legal system) on behalf of their clients which can result in lengthy delays in extradition cases, and on occasion, the rejections of the extradition requests. Modification and streamlining of the amparo process would increase the likelihood of the extradition of cartel leaders to the United States. Finally, many major narco-traffickers who are subjects of pending extradition requests are facing the possibility of long prison sentences in Mexico. The United States has requested that Mexico consider the possibility of temporary surrendering these individuals, so that they may face trial in the United States prior to the commencement of their sentences in Mexico.

Finally, traditional investigative tools that law enforcement agencies such as DEA depend upon to develop cases in the United States have not been approved for use in Mexico. For example, undercover operations in Mexico are complicated and difficult, as approval from the Mexican Attorney General is necessary before any operation can be

implemented. Moreover, DEA continues to work with the GOM on telephone intercept capabilities; however, significant obstacles are still encountered in the jurisdictional process and technical intercept capabilities. The GOM still has not established a routine and reliable process to seek and obtain court authorization for wire intercepts. Furthermore, controlled deliveries are not permitted by Mexican law and would take an act of Mexican Congress to change.

Canada - Law Enforcement Cooperation

Bilateral cooperation between Canada and the United States on counter-narcotics matters continues to be exceptional. The two countries collaborate closely at both the federal, state or province, and local levels, and this also extends into the multilateral arena. In May 2003, the Government of Canada announced the renewal of its Drug Strategy and a commitment to invest \$245 million in additional funding over five years. The Canadian Drug Strategy (CDS) shows that Canada is committed to dealing with the root causes of substance abuse and is focusing on prevention, education, treatment and increased enforcement responses for those who are involved in the production and trafficking of illegal drugs.

The United States-Canada Cross Border Crime Forum is the principal bilateral cooperative initiative between the two countries and serves to enhance and expand intelligence sharing, investigative collaboration, and joint training opportunities. At the October of 2004 Forum, the two governments announced the establishment of four new intelligence exchange sites to support the International Border Enforcement Team (IBET) program. The IBETs allow for the timely and accurate sharing of intelligence between Canadian and U.S. law enforcement agencies; protects both countries from the potential terrorist threats; and impedes the smuggling of drugs and other illicit substances between the two countries. The IBETs, with agency participation from the Customs and Border Patrol, Immigration and Customs Enforcement, U.S. Coast Guard, DOJ, DEA and FBI, and the RCMP, consist of 15 regional offices that have been strategically located along the border between the two countries to ensure that the Canada-U.S. border remains open to legitimate trade and travel, but closed to drug traffickers, terrorists, and other criminal elements.

In addition both countries released an updated "Border Drug Threat Assessment" in 2004. This document was produced to enhance the understanding of the flow drugs and precursor chemicals between the two countries. This study highlighted the emerging concern of MDMA production in Canada as well as emphasized Canada's recent regulatory controls on the import and export of precursor chemicals. These regulations have had a positive impact in reducing the cross-border trafficking of chemicals used in the production of synthetic drugs in the United States such as methamphetamine.

There is perhaps no greater example of cooperation between Canadian and U.S. law enforcement authorities than Operation Candy Box. This operation represented the largest Canadian and U.S. enforcement action ever taken against MDMA drug traffickers. This two year investigation resulted in the dismantling of a drug trafficking organization operating in both countries that was responsible for the production of MDMA and marijuana in Canada, the distribution of these drugs in the United States, and the

laundering of illicit funds. During the course of this investigation, law enforcement authorities identified the increased importation of MDMA powder, rather than tablets, into Canada from Holland. Tableting operations were then conducted in Canada for subsequent U.S. distribution. Several significant seizures of MDMA powder were conducted and tableting operations were subsequently dismantled. During this two year initiative, numerous arrests and seizures took place throughout the course of the investigation. Operation Candy Box resulted in 212 arrests and the seizure of \$8,995,811 in U.S. currency, 1,546 pounds of MDMA powder, 409,300 MDMA tablets, 1,976 pounds of marijuana, 6.5 pounds of methamphetamine, jewelry valued at \$174,000, 38 vehicles, and numerous weapons.

Intelligence Sharing Overview

Intelligence sharing and cooperation between relevant agencies is the key to combating transnational organized crime. DEA leads and participates in such sharing through a variety of mechanisms. One of DEA's oldest and most important intelligence sharing initiatives that focuses on the SWB is the El Paso Intelligence Center, or EPIC.

El Paso Intelligence Center: More than 30 years ago, EPIC was formed as a joint endeavor between DEA and the former Immigration and Naturalization Service, with the former U.S. Customs Service soon joining in the effort. The following agencies are currently represented at EPIC: DEA, Immigration and Customs Enforcement (ICE), U.S. Coast Guard, FBI, U.S. Marshals Service, ATF, the Internal Revenue Service, the Federal Aviation Administration, U.S. Secret Service, the Department of State, the Department of Defense, the Central Intelligence Agency, the Department of Interior, Texas Department of Public Safety, Texas National Guard, and the National Security Agency.

EPIC has strong relationships for information sharing and coordination with a number of other Federal, state and local agencies, including representation from all 50 states, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands. These long-standing relationships – and the trust and understanding that have developed as a result – are the cornerstone of EPIC's success and continued viability as an information sharing and coordination center.

With the added threat from terrorist organizations, EPIC's original transnational crimes mission of drugs, aliens, and weapons is even more critical to maintaining our national security. EPIC continues to move forward to capitalize on its past successes and current capabilities and to provide leadership in the area of interagency coordination, cooperation and information sharing.

The motivation for seeking that cooperation is based on the belief that a more comprehensive understanding of the threats along the Southwest border can best be achieved by combining the information that is available from DEA offices in Mexico and South America together with information that CBP and ICE collect along the Southwest border. To assure that EPIC is positioned to provide the most effective and timely support to the national and homeland security and law enforcement efforts of its member and partner agencies, EPIC continues to seek the commitment of member and partner agencies to enhance their analytical participation at EPIC.

Even as this greater participation is being sought, cooperative efforts among Southwest border intelligence centers are already underway. For example, EPIC, the Joint Task Force-North (JTF-N), and Border Field Intelligence Center (BORFIC) have joined together in the Tri Centers Collection Management Tiger Team and are developing a Collections Requirement Management System (CRMS) to coordinate and manage intelligence requirements. In response to the needs of its customers, an anticipated increased requirement from the intelligence and homeland security communities, and a recommendation developed by the Justice Intelligence Coordinating Committee (JICC), this CRMS will begin to take advantage of DEA's capabilities overseas with the information that can be collected by DHS entities along the Southwest border.

Another cooperative endeavor among EPIC, BORFIC, and JTF-N also includes the U. S. Customs and Border Protection's Air and Maritime Operations Center (AMOC) and JIATF-S. They recently met June 7-9 in Dallas to determine how to develop a common operating picture using the individual agencies' Satellite Tracking (SATTRACK) capabilities. Other agencies also participated to discuss coordination and program development in this key operational area.

To meet its information sharing commitments in the future, and thanks to the support from the Congress for essential funding, EPIC is in the middle of a major expansion in the use of information technology. These infrastructure improvements will expand access to EPIC for member and partner agencies, and improve the national information sharing programs being led by the Departments of Justice and Homeland Security. Critical improvements include: continued development and implementation of the EPIC Open Connectivity Project; the implementation of the National Seizure System; development of a web-based portal to allow EPIC users to electronically access EPIC; and establishment of a Continuity of Operation Plan (COOP) at an external facility.

The development and implementation of the EPIC Open Connectivity Project is critical to the overall future of EPIC. This is the most ambitious and dynamic initiative related to information sharing with state and locals ever undertaken by EPIC. Successful implementation of this project will provide web-based access by EPIC customers to EPIC services, as well as analytical tools not previously available to many EPIC partners. The result will be a significant enhancement in the ability of agencies to share information, coordinate joint operations and investigations, and, most importantly, enhance officer/personnel safety. The project will incorporate and ensure data security and audit capabilities, as required by statutes and policies.

EPIC is a national resource, and the many reasons for its creation in 1974 are still valid today. The vast number of intrusions across our Southwest Border relate to drugs, aliens, weapons, and money. Terrorist organizations may attempt to take advantage of these transnational criminal groups or methods to try to penetrate our borders. Numerous federal agencies need to work together to see EPIC's mission as their own. EPIC looks to its many partners who together can accomplish a complex mission through improved

coordination and synergy. In summary, EPIC is a National Center supporting federal, state, local, and tribal law enforcement through information sharing, analysis, coordination, and de-confliction; EPIC's core mission is to provide information and intelligence to assist in the interdiction of drugs, aliens, currency, and weapons, especially along the SWB; and EPIC's capabilities are used to ensure that potential terrorist intrusions receive proactive attention as well as reactive response.

CONCLUSION

Mr. Chairman, ladies and gentlemen, the DEA is committed to working both harder and smarter in dealing with the threat of transnational drug crime that affects our borders. This hearing comes at an opportune time, as Administrator Tandy has tasked me to lead an effort to make EPIC more relevant and useful particularly with regard to our Federal law enforcement counterparts. We recognize that coordination and cooperation are essential elements of the National Drug Control Strategy and we are working tirelessly to enhance the effectiveness and efficiency of our operations. We thank you for your continued support of DEA. This concludes my formal statement and I would be happy to attempt to answer any of your questions at this time.